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PELLEGRINO FOOD PRODUCTS

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PELLEGRINO FOOD PRODUCTS CO., INC.

POST OFFICE BOX 1506
WARREN, PENNSYLVANIA 16365

May 10, 2005

Rheon USA
9490 Toledo Way
Irvine, CA 92618

Attn: Aki Nakao

This letter is to clarify Pellegrino Food's position with Rheon regarding the cornucopia machines.

We believe we entered into an agreement with Calfirst, not Rheon, regarding the purchase of these machines. Confirming this, Calfirst did in fact release the machines as the documentation Gary Seiffer provided states.

At a later date, Calfirst requested other guarantees from our company that were never agreed upon or even discussed. We diligently attempted to resolve this matter with Calfirst. They declined and further stated that the lease agreement was never accepted.

Therefore, we withdrew any offer we made to Calfirst. Because of our company's problems with Calfirst, we have not used these machines under advisement from our attorney and if directed, will return.

Therefore, any agreement we had is with Calfirst, not Rheon, and Rheon should look for payment from Calfirst, not Pellegrino.

Our whole new sales direction was based around items produced on these machines. This has put all of us in an awkward position and I am truly the one who is disheartened. We've always had a good working relationship with Rheon and want to continue. Please contact me to discuss this matter in further detail.

Sincerely,

Thomas Pellegrino

EXHIBIT

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ALL-STATE LEGAL SUPPLY CO.